Mr. SPEAKER.—As soon as the information is available, that would be taken up.

Sri S. NIJALINGAPPA.—I will certainly do it on Monday.

Sri H. SIDDAVEERAPPA (Harihar).—So far as the information about the demise of Sri Hullur Srinivasa Jois is concerned, I think it is available to the Leader of the House.

Sri S. NIJALINGAPPA.—That is why I have agreed to move it on Monday; I know Sri Srinivasa Jois much better than many of you here.

Mr. SPEAKER.—I also knew Sri Jois. So far as the moving of the condolence resolution is concerned, that will have to be entered into the agenda ; that is not entered to-day. So, it will be certainly done on Monday.

COMMITTEE OF PRIVILEGES.

Members elected.

Mr. SPEAKER.—I have to make an announcement. There were four seats to be elected to the Committee of Privileges and only four candidates gave their nomination. Therefore, they have been elected. They are as follows:

Sri B Vaikunta Baliga
Sri M. S. Kantikar
Sri P. H. Gunjal
Sri S. S. Kolkebail

I nominate the following members to the Committee under the power I have :

Sri V. Venkatappa
Sri V. T. Magadi
Sri K. Pattabhiraman

Under sub-rule (3) of rule 171, I appoint Sri V. Venkatappa to be the Chairman of the Committee.

BOARD OF INDUSTRIES.

Motion for election.

Sri S. NIJALINGAPPA (Leader of the House)—Sir, I move:

"That this Assembly do proceed to the election of three members to the Board of Industries under section four of the Mysore State Aid to Industries Act, 1951, in the manner set out in rule 11 of the Mysore State Aid to Industries Rules, 1951."

Mr. SPEAKER.—I will put it to the House. The question is :

"That this Assembly do proceed to the election of three members to the Board of Industries under section four of the Mysore State Aid to Industries Act, 1951, in the manner set out in rule 11 of the Mysore State Aid to Industries Rules, 1951."

The motion was adopted.

Programme of Election.

Mr. SPEAKER.—For the purpose of election of three members to the Board of Industries, the office of the Secretary will be open to receive notice of candidature up to 3 p.m. on Monday the 24th December 1956 and that the election, if necessary, will take place on Friday the 28th December 1956, in the Committee room between the hours of 3 p.m. and 5 p.m. The election will be conducted in the manner set out in rule 11 of the Mysore State Aid to the Industries Rules, 1951 in accordance with the principle of proportional representation by means of the single transferable vote.

BUDGET ESTIMATES FOR FIVE MONTHS FROM 1st NOVEMBER 1956

Presentation.

SECRETARY.—Sri T. Mariappa (Minister for Finance) to present the Budget Estimates for the period of five months from 1st November 1956 to 31st March 1957.

Sri N. B. PUJAR (Ron).—I rise to a point of order, Sir.

ನಾನು ಸೂಚಿಸಲಿರುವ ಕ್ರಿಯೊಲೋಪಗಳನ್ನು ವಿವರಿಸಬೇಕಾದದ್ದು ಅಗತ್ಯವೆಂದು ಕಾಣುತ್ತದೆ. ಹೊಸ ರಾಜ್ಯದ ಉದಯದಿಂದ ಆದರಲ್ಲೂ ಹೊಸ

(SRI N. B. PUJAR.)

ರಾಜ್ಯದ ಆಯವ್ಯಯದ ಬಗ್ಗೆ ಒಂದು ವಿಶೇಷ ಪರಿಸ್ಥಿತಿ ಉದ್ಭವಿಸಿದೆ. ರಾಜ್ಯ ಪುನರ್ರಚನಾ ಕಾನೂನಿನ 70ನೆಯ ಕಲಮಿನ ಪ್ರಾವಿಸೋ ಪ್ರಕಾರ ರಾಜ್ಯ ಪಾಲರಿಗೆ ಈ ಮಧ್ಯವರ್ತಿ ಅವಧಿಯ ವೆಚ್ಚವನ್ನು ಅಧಿಕರಿಸಲು ಅಧಿಕಾರ ಕೊಡಲ್ಪಟ್ಟಿದೆ. ಆದರೆ ಈ ಅಧಿಕಾರ ಕೊಟ್ಟಂಥ ಈ ಕಲಮು ಹಿಂದೂಸ್ಥಾನದ ರಾಜ್ಯ ಘಟನೆಯ ಕಲಮಿಗೆ ವ್ಯತಿರಿಕ್ತವಾಗುತ್ತದೆಂದು ನನಗೆ ಕಾಣುತ್ತದೆ. ಅದೇನೇ ಇರಲಿ, ನನ್ನ ಅಭಿಪ್ರಾಯದಮಟ್ಟಿಗೆ ಹೇಳುವದಾದರೆ, ಕರ್ನಾಲಡೇಟೆಡ್ ಫಂಡಿನ ಹಣವನ್ನು ತೆಗೆದುಕೊಳ್ಳಬೇಕಾದರೆ ಈ ಅಸೆಂಬ್ಲಿಯ ಅಪ್ರೊಪ್ರಿಯೇಷನ್ ಆಕ್ಟ್ ಪ್ರಕಾರ ಮಾತ್ರ ಸಾಧ್ಯ. ಈ ಅಸೆಂಬ್ಲಿಯ ಅಪ್ರೊಪ್ರಿಯೇಷನ್ ಆಕ್ಟ್ ಇಲ್ಲದೆಯೇ ಗವರ್ನರ್‌ಅವರ ಕರ್ನಾಲಡೇಟೆಡ್ ಫಂಡಿನಿಂದ ಹಣವನ್ನು ವೆಚ್ಚಕ್ಕೆ ತೆಗೆದುಕೊಳ್ಳಲು ಅವರಿಗೆ ಅಧಿಕಾರವಿಲ್ಲ. ಹಾಗೇನಾದರೂ ಈಗಾಗಲೇ ವೆಚ್ಚಕ್ಕೆ ಹಣ ತೆಗೆದುಕೊಂಡಿದ್ದರೆ ಅದು ಕಾಯಿದೆಗೆ ಬಾಹಿರವಾಗುತ್ತದೆಂದು ಕಾಣುತ್ತದೆ.

ಇನ್ನು ಈ ದಿವಸದ ಬಡ್ಜೆಟ್ಟಿನ ಬಗ್ಗೆ ನಾನು ಹೇಳಬೇಕೆಂದರೆ ರಾಜ್ಯ ಘಟನೆಯ 202ನೆಯ ಕಲಮಿನ ಪ್ರಕಾರ ಬಡ್ಜೆಟ್ ಒಂದು ವರ್ಷಕ್ಕೆ ಮಾತ್ರ ಇರುತ್ತದೆ; ಅರ್ಧ ವರ್ಷ, ಮೂರು ತಿಂಗಳು, ಐದು ತಿಂಗಳು ಇಂಥ ಅವಧಿಗೆ ಬಡ್ಜೆಟ್ ಇರುವುದಿಲ್ಲ. ಹೀಗೆ ಅಲ್ಲ ವ್ಯಾಖ್ಯ ಇದೆ. ಮತ್ತು ಬಡ್ಜೆಟ್ current year ಯಾವಾಗಲೂ ಇರುವುದಿಲ್ಲ. Current yearನಲ್ಲಿ ಬಡ್ಜೆಟ್ ಒಂದು ದಿವಸದಾದರೂ actuals ಗೆ ಬರುತ್ತದೆ, ಬಡ್ಜೆಟ್‌ಗೆ ಯಾವಾಗಲೂ ಒಂದು ಎಸ್ಟಿಮೇಟ್ ಇರುತ್ತದೆ. ಈ ಕಾರಣದಿಂದ ನಾನು ಹೇಳಬೇಕಾದ ಐದು ಕ್ರಿಯಾಲೋಪಗಳನ್ನು ತಮ್ಮ ಅನುಮತಿಪಡೆದು ಓದುತ್ತೇನೆ.

The points of order are :—

(1) Whether Hon'ble the Finance Minister is competent to present the Budget for the fraction of a year under article 202 of the Constitution ?

(2) Whether in presenting the Budget and asking the Assembly to vote for expenditure for five months only, does the Hon'ble the Finance Minister invite this House to contravene the procedure in financial matters as laid down under article 202 and 203 of the Constitution and rule 119 of the Rules of Procedure and Conduct of Business in the Mysore Legislative Assembly ?

(3) If the presentation of the Budget is construed as merely a motion to take into consideration the expenditure authorised by the Governor under S.70 of the States Reorganisation Act of 1956, whether such authorisation includes estimates of receipts also ?

(4) Whether expenditure incurred for the months of November and December can be considered to be estimates or actuals ?

(5) If they are actuals, whether actuals can be incorporated in the Budget which is only astatement of estimated receipts and expenditure.

Mr. SPEAKER.—I am myself wondering how my friend Sri Pujar having so many points of order *did not* see me in my chamber. Of course, I have to give a considered reply to the points he has raised. I can now rule out by saying that it is out of order. But I do not like to do so. So, I will only say that I will give my considered reply if he gives me in writing his points of order. I will give a ruling in the evening today.

Sri N. B. PUJAR.—Then the presentation of the budget could also be held over till then.

Mr. SPEAKER.—It is not necessary that the presentation of the Budget might be held over.

Sri T. MARIAPPA (Minister for Finance).—Sir, I deem it a great honour and a privilege to present the first Budget statement of the new State of Mysore for the five months period ending 31st March 1957. This should not be considered as indicating with any degree of accuracy the likely annual budgetary position of the State. The Receipts and Expenditure are based on rough estimates furnished by the respective Governments of the five integrating areas and their heads of departments. The Finance Department had no independent data of previous actuals of these areas to verify the accuracy of these estimates. You will, therefore, kindly see the initial difficulties the Finance Department had to encounter in gathering all the loose financial threads of the five different regions.

2. The States Reorganisation has given rise to many problems of varied nature and in particular, the problems relating to finances of the new State of Mysore are of a complex nature. The State of Mysore now comprises five different areas of the former Mysore State, Bombay, Hyderabad, Madras and Coorg. In these regions the legislative, financial and other rules vary widely. You will, therefore,

appreciate the difficulties in resolving these complications. The need for evolving uniform procedure in all matters connected with the administration and in particular those relating to financial, is both immediate and urgent. Allowing some time lag for old and new personnel to settle down in the new set up which is only natural, the Finance Department is taking every step to deal with these matters as expeditiously as possible. As the Receipts and Expenditure are not maintained districtwise, it is indeed difficult to have accurate figures for the different areas. The real picture can only be seen when we get one or two years actuals for the several items of expenditure included in the budget. That is the reason why we are presenting as best an estimate as possible of the financial statement for the five months period ending 31st March 1957.

3. You are aware that the States Reorganisation Act has provision for authorisation of expenditure to obviate financial diffiulties soon after coming into being of the new States. Accordingly the Rajpramukh of Mysore had authorised expenditure for five months period from 1st November 1956 to 31st March 1957. As the authorisation had to be issued before 1st November 1956 action had to be taken accordingly. After the new State was formed and when relevant papers were made available, the authorisation was reviewed by Government. In the light of this review, a modified authorisation for the new State of Mysore was issued by the Governor on the 18th December 1956. Though the Governor has powers to authorise expenditure, it was considered desirable to place the estimates before the Legislature.

4. The Estimates now presented disclose the following position :

	(Rupees in lakhs)
(i) Revenue ...	2130·80
(ii) Expenditure ...	2580·70
(iii) Deficit ...	449·90

As already indicated above, this should not be considered as depicting the proportionate deficit for the whole year nor is it indicative of the State's financial position, for, the receipts will be less under certain heads and the expenditure will be heavy in the last five months of the year. It is also not reasonable to conclude that it may be possible to present a surplus budget in the coming year. The hard fact is that with the exception of Coorg all other areas forming the new State of Mysore are financially deficit areas.

5. The reason for the deficit in the Budget Estimates for the five months period is mainly due to the fact that a sum of Rs. 441·57 lakhs (net) has been included in the Revenue account for the various development schemes in the Second Five-Year Plan including some of the carry over items of the First Plan.

6. *Capital Budget.*—The Capital Budget of the State has to depend mainly on borrowed funds and on Central assistance. The Budget provides for a sum of Rs. 1333·82 lakhs for financing capital expenditure and includes the following :—

	(*Rupees in Lakhs*)
(i) Irrigation projects ;— Bhadra, Nugu, Tunga, Tungabhadra, Ghataprabha, etc. ...	500.92
(ii) Investments in Government Industrial Concerns including Kolar Gold Mining Undertakings. ...	322·22
(iii) Road Transport ...	33·20
(iv) Civil Buildings and Communications ...	189·29
(v) Electricity schemes ...	279·62

The Budget also anticipates a total Central assistance of Rs. 15 crores by way of loans besides grants. The exact quantum of Central assistance will depend on the integrated plan for the new State of Mysore and the progress of expenditure that we are likely to achieve. This question is being taken up for discussion with the officers of the Planning Commission shortly.

7. *Financial effects of Reorganisation.*—The States Reorganisation Act provides for apportionment of Assets and Liabilities of different States.

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Steps are being taken to get apportionment due to the State of Mysore. It will naturally take some time before the several complicated issues relating to the apportionment of Assets and Liabilitie are discussed and finalised. Figures for Assets and Liabilities of the new State will become available only some time after the respective Accountants General close the accounts for the month of October 1956 and the apportionment can be made only thereafter by mutual discussions. I may, however, indicate that from a rough review of the position, the State will have to take over a considerable amount of liabilities. You will no doubt expect correspondingly the fixed assets like Irrigation Works, Electricity Works Buildings, etc., financed from borrowed funds. It will, however, take a long time before any return on the invested capital can be expected from productive works.

8. *Madhava Rau Finance Enquiry Committee.*—The finances of the ex-State of Mysore were reviewed by the Madhava Rau Finance Enquiry Committee and they have indicated that if the Second Five-Year Plan for the State is implemented, the deficit for the plan period will be approximately Rs. 10 crores per annum. On that basis, the deficit for the new State of Mysore will be correspondingly larger and it may amount to as much as Rs. 15 to 20 crores at the end of the Plan period. But this need not unduly alarm us since there are several sources to be tapped. The new State has abundant resources. Our forests, coastal fisheries, electricity projects, irrigation works big, medium and small, industries both large scale and small scale, are likely to yield considerable revenue in the near future. Each integrating area has a different system of taxation and the evoluation of a uniform system will also bring in increased revenues. The other sources which while not placing heavy burden on the poorer sections of our population may yield additional revenues if carefully explored. All these things cannot be done immediately. Careful thought has to be bestowed on the structure of taxation to be evolved which should be both equitable and revenue yielding. A section has already been set up in my Department to the collection of necessary data and carry out research in this direction.

9. While we no doubt strive our best to tap all the local resources to improve our financial position, it is necessary that at least for a period of next 10 years to come, the Centre has to give substantial financial assistance in the form of grants and loans. This is both immediate and urgent not only to tide over the initial financial difficulties but also to develop backward areas in the new State as also to maintain the progress achieved so far.

10. *Finance Commission.*—The Finance Commission is expected to visit our State in the month of April 1957. The former State of Mysore has already presented the financial forecast and the Memorandum to the Commission. I also understand that the Commission has obtained the necessary material in respect of other integrating areas direct from the respective Governments. Our Finance Department is also collecting additional material to present the case of the reorganised State before the Commission when it visits the State.

11. As the House is aware the Commission has already submitted an interim report. I am sure our difficulties and requirements will be taken into account by the Commission when they make their final recommendations which we expect will greatly help us in rehabilitating our finances.

12. *Service conditions of Government servants.*—The Government servants of the five regions of the new State of Mysore had differing service conditions and pay scales. This presented the difficulties of considerable complexity, both human and financial. While the pay scales of the former Mysore State employees were generally the lowest, Bombay area had scales much higher. The disparity has created almost an intolerable situation. The problem had therefore to be tackled with speed and expedition. The Government, therefore, lost no time in setting up an official committee to review the whole

position. The former Government of Mysore had set up the Mascarenhas Committee to examine the pay structure of their employees. The Committee had submitted a very valuable report and it facilitated to a great extent the work of the new Committee. While we are anxious to do our utmost to protect the legitimate interest of our employees within reasonable limits I plead for a careful appraisal of our financial resources before pronouncing any opinion on the adequacy or otherwise of the new scales. The Committee no doubt had a difficult task, but they have evolved scales of pay and allowances consistent with our financial resources. Even then the extra cost will be in the order of Rupees four crores. However, we have the satisfaction that of this more than 90 per cent will go to improve the lot of the Non-gazetted staff who are the backbone of the administration. There is no other way to maintain the efficiency and contentment of the services. The State is no doubt not in a position to meet this extra cost. But this is a necessary concomitant of bringing together the disparate areas. We rely entirely on the Government of India to assist us with substantial grants and loans till the State is in a position to strengthen its resources.

13. The Government have also appointed an officer to collect the necessary data regarding the rules governing the conditions of Government servants in the different areas. He is already at work and uniform service rules will be evolved as early as possible.

14. *Second Five-Year Plan.*—One of the most important tasks that had to be faced immediately was the preparation of the integrated Plan for the new State of Mysore. This task was not only important but most urgent to prevent any set-back in the execution of Development Schemes. Different areas had their own plans. Integrating these plans is not simply an arithmetical addition, but involves careful sifting and co-ordination to avoid duplication and consequent wastage of our resources. Maximum utilisation of available resources is the only justification for planning and each department has to carefully work out the schemes so as to benefit as large a population as possible. There is so much scope for undertaking new programmes particularly in backward tracts, and laying down a correct scale of priorities assumes an overriding importance.

15. According to the programme of Plan Development, the total expenditure for the new State has been estimated to be Rs. 144·85 crores which works out to Rs. 76 *per capita*. The details of these schemes and the quantum of Central assistance are being worked out in consultation with the Planning Commission. It may be necessary to readjust the schemes in the several areas with reference to priority and the need of the particular area. The success of our plan no doubt mainly depends on the co-operation of all sections of the public and in particular in marshalling the local resources. The Central Government has, however, to contribute a major portion towards the implementation of the plan in view of our poor resources.

16. *Food Production.*—The new State of Mysore has great scope for stepping up food production. It can, not only be self-sufficient, but even surplus provided seasonal conditions continue to be normal. Under Agriculture and Community Development, emphasis is laid on increasing the output of agricultural produce. It is intended to increase the cereal production by about four lakhs tons per annum. With the completion of irrigational projects,—big, medium and small—it is expected that the State's anxiety on this score will disappear. The recent rise in foodgrains prices has caused some alarm. With the new harvest, it is expected that the prices of most agricultural commodities will gradually come down. However, both Central and State Governments are watching the situation very carefully.

17. *Distress Relief.*—It may be remembered that there was failure of 'Mungar' rains in some areas and excess and untimely rainfall in other areas causing considerable damage to irrigation works and crops. Distress conditions set in both on

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account of failure and on account of heavy rains. Timely and adequate relief was given to the people who suffered on account of the vagaries of nature. Relief works were also started. Foodgrains and fodder were made available. Government sanctioned loans to the affected areas in the former State of Mysore in the early part of the year and recently to those in the affected areas in Gulbarga, Raichur, Bidar and Bijapur areas.

18. *Community Development and National Extension Services Blocks.*—A total provision of Rs. 121·57 lakhs has been provided for the five months period. The total number of Community Development and N.E.S. Blocks in the enlarged State is 21 and 49, respectively. It is expected that the entire amount provided in the budget will be spent before the end of the year.

19. *Irrigation.*—Bhadra Reservoir project which is estimated to cost about Rs. 25 crores is in rapid progress. So far, a sum of Rs. 7·74 crores has been spent. The dam has now reached a height of 45 feet in the centre and 60 feet at the flanks. It is expected that the dam will reach a height of 180 feet by the end of the year 1961. In the meanwhile with the present height of the dam, it is possible to store water in the reservoir and release it for irrigation purposes into both the right and left bank channels. It is expected that after the completion of the project, it would be possible to irrigate 2·34 lakhs acres and to generate power to the extent of 41,000 K.W.

20. *Tunga Project in Shimoga District.*—The estimate for this project is Rs. 2·31 crores of which Rs. 1·90 crores have already been spent. This is proposed to be completed shortly. The project is already irrigating an area of 19,135 acres.

21. *Nugu Project in Mysore District.*—This project is nearing completion and as against an estimate of Rs. 2.45 crores an expenditure of Rs. 2;33 crores has already been incurred. The full extent of 20,000 acres is expected to be supplied with water by about the end of June 1957.

22. *Ambligola Project in Shimoga District.*—The total expenditure incurred so far on this project is Rs. 15·72 lakhs as against an estimated cost of Rs. 56 lakhs. The works are in brisk progress.

23. *Tungabhadra Project in Bellary District.*—The following area has already been brought under cultivation under this project:—

Bellary side	20,000 acres
Raichur side	25,000 acres

For development of Ayacut both on Bellary and Raichur side, vigorous steps have been taken to improve the distributary system. The establishment of demonstration farms, supply of bullocks at concessional rates and issue of short-term and long-term loans to ryots, have considerably helped in the development of this area.

24. *Ghataprabha.*—Ghataprabha Valley Development Scheme in Belgaum District has been planned in three stages. The fist stage was estimated to cost Rs. 5·45 crores. This stage has almost been completed. It consists of 44 mile long canal route commanding an area of 2·5 lakhs acres. Water has already been made available in Belgaum and Bijapur Districts under this canal. A provision of Rs. 33·96 lakhs has been included in the Second Plan to complete the first stage. A provision of Rs. 8 crores has also been included in the Second Plan for the second stage. With the completion of the second stage, a total area of 4·5 lakhs acres can be brought under irrigation.

25. *Malaprabha.*—Provision has been included in the Second Plan to the extent of Rs. 1 crore. With the completion of the project, it will be possible to bring about 3·3 lakhs acres under irrigation. This project which is estimated to cost Rs. 16 crores is under examination by the Government of India.

26. In order to provide irrigation facilities to certain parts of North Kanara District, another project called Dharma Reservoir project has been included in the Plan. This provides for the construction of an earthen dam across Dharma River, a

tributary of Varada, at a total cost of a bout Rs. 70 lakhs, to irrigate about 14,000 acres (including the existing area of about 9,000 acres). Full provision has been made for this project in the Second Plan.

27. In the Coorg area, a project for the construction of a reservoir across Lakshmanathirtha River has been prepared at a cost of Rs. 30·42 lakhs to irrigate about 3,170 acres. The financial aspects of the scheme are under examination.

28. Investigations in regard to Upper Krishna project are being started almost immediately, with a view to utilising the waters of Krishna River both for irr gation and for generation of hydro-electric power. The scheme consists of the construction of a dam across Krishna River, with canals on either side, for irrigating lands in Raichur and Gulberga Districts to the extent of about 5½ lakhs acres. The ultimate power possibilities are reckoned at 40,000 K.W. The probable cost of the project is Rs. 30 crores.

29. *Electricity.*—The former State of Mysore was a pioneer in the development of electricity. The new State has great potentialities for development of power. The prosperity of the State depends a great deal on the production of power on a large scale. But at present we are facing acute shortage of power and unless immediate steps are taken, the progress of the State in every direction will receive a setback.

30. The Planning Commission has sanctioned Sharavathi Valley Project and the work on the scheme has commenced. This is a long-time project and in the meanwhile we can only meet the demand of the public to a limited extent with the completion of the following projects :—

(i) Tungabhadra Hydro-electric Scheme Left Bank.
(ii) Tungabhadra Hydro-electric Scheme Right Bank.
(iii) Bhadra Project.

It may become necessary to approach the Government of India for funds for the Shimsha Project if other sources do not provide us with power in time.

31. *Forest.*—The State has now a very rich forest area covering about 12,237 sq. miles. This wealth is abundant and the forest department has a responsibility not only in tapping the resources in a carefully planned manner but simultaneously adopting measures for rejuvenating the exploited areas. The State already holds a monopoly in Sandal wood and Teak wood and it is expected that considerable revenue will accrue by careful exploitation of these two sources apart from minor forest produce.

32. *Fisheries.*—The new State has now nearly 200 miles of sea coast rich in fisheries. The present exploitation is of a primitive type. The problem of organising deep sea fishing bristles with difficulties both organisational and administrative. Proper exploitation will bring in considerable revenue to the State Exchequer and will also earn dollar exchange and further help in solving the food problem. At present export of prawns is finding a market in America. Along with this, schemes of rehabilitation of fishermen have also to be undertaken. Government is continuing the subsidized sale of salt for fish curing yards both in North and South Kanara on the basis of schemes which had been approved by the Governments of Bombay and Madras.

33. *Major and minor ports.*—Our coast-line has great potentialities for development of major and minor ports. No provision is now made for their development. The Government of India and the Planning Commission will be approached for the development of these ports.

34. *Mineral resources.*—The State has now rich mineral resources in the several areas particularly gold, iron, manganese, bauxite, limestone, pyrites, etc. There has not been so far a systematic survey of this mineral wealth. It is necessary that early steps should be taken in the matter of mineral survey and exploration. The question whether the Government cannot itself exploit this wealth to augment its revenue is also engaging the attention of the Geological Department.

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35. *Industries.*—Several development schemes pertaining to the expansion of Porcelain Factory, Electric Factory, Soap Factory and Mysore Iron and Steel Works in the former State of Mysore are in several stages of progress. The Government of India has approved the stepping up of production of Iron and Steel Works at Bhadravathi during the Second Plan period. Steps are already under way to achieve this objective.

36. *Labour.*—The Government is the largest employer of labour. It is the constant endeavour of our Government to look after their welfare. With progressive labour legislation and improvement in working conditions, labour in Mysore is well on its way to play its vital role in increasing the productive capacity of the country. With this end in view the Government have been taking steps to improve their pay and prospects wherever resources permit and liberalise working conditions. Recently, a truce agreement was arrived at with the Labour Association of the Mysore Iron and Steel Works, Bhadravathi. The result of this agreement has benefited the labour to the extent of Rs. 9 lakhs per annum.

37. *Small scale and Cottage industries.*—The development of small scale industries is engaging the attention of the Government.

38. The State now practically holds the monopoly of Sericulture industry. Various schemes are under progress for the improvement of Mulberry, distribution of examined seeds and production of quality cocoons. Construction of the Central Research Station is well under way. The filature reeling industry in Mysore has fallen on evil days on account of its outmoded equipment. The modernisation of silk industry has become a necessity now when we have the largest area under Mulberry after the integration of Kollegal Taluk. With that end in view the State has taken over the Mysore Silk Filatures. Steps are being taken to modernise the reeling equipment with a view to put this reeling industry on sound basis.

39. When compared to other States, we have not been able to take full advantage of the assistance afforded by the Government of India for the resuscitation of small scale and cottage industries. Steps are now being taken to formulate schemes to secure maximum assistance from the Centre for the development of cottage and village industries. It is proposed to establish Khadi and Village Industries Board on a statutory basis and a Bill has been placed before the House for its approval. The question of setting up of Small-scale Industries Board and Handicrafts Board is also engaging the attention of the Government.

40. *Education.*—The total provision made for Education in all grades, *viz.*, University, Secondary, Primary and Technical is Rs. 396 lakhs excluding Education Buildings. Excluding the working expenses of industrial concerns, this represents the largest share of the revenue expenditure incurred on several activities of the Government. The system of grants to educational institutions in the several areas differs and steps are being taken to evolve a uniform practice.

41. *Rural Development.*—In addition to Rural Development work undertaken in Community Project and N. E. S. blocks, provision has also been made in the Budget for Rural Water Supply, inter-village communications and improvement works in villages.

42. *Water Supply in Urban areas.*—In order to provide protected water supply to towns, the former State of Mysore had sanctioned schemes at a total cost of Rs. 180 lakhs. The water supply position in Bangalore, Mysore and Davangere is found to be unsatisfactory and several comprehensive estimates have been sanctioned recently to improve water supply to these cities. The Government of India have been requested to sanction the necessary assistance. Most of these works are in various stages of progress.

43. *Co-operation.*—The Plan for the new Mysore State envisages organisation and reorganisation of large-size Co-operative Credit Societies, Central Banks, Land Mortgage Banks,

Marketing Societies, Co-operative Sugar Factories, Farming Societies, etc. It is also proposed to take up the construction of godowns for large-scale co-operative societies and set up warehouses with Central assistance. The Government have recently set up a separate Marketing Department with the Chief Marketing Officer as its head. This is found necessary to develop and strengthen the system of Regulated Markets for agricultural commodities on a planned basis.

44. *Transport.*—The former State of Mysore took over the Bangalore Transport Services from 1st October 1956. Sanction has been accorded for the purchase of new chassis and construction of buses to improve the increasing demand of the public and to improve the efficiency of the sarvices. These buses are expected to be put on road early. Government also took over the Assets and Liabilities of the Hyderabad Road Transport Department in the area integrated with Mysore. The question of taking over the transport services in the Bombay areas from the Bombay State Road Transport Corporation is under active consideration. With the taking over of these services the activities of the Road Transport Department have enormously expanded. The question of forming a Corporation for successful running of the Transport Services is already under active consideration. The Second Five-Year Plan includes a provision of Rs. 118 lakhs for the development of Road Transport Services.

45. *Social Welfare.*—The Amelioration of conditions of the Scheduled Castes and other Backward Classes is engaging the attention of the Government. Considerable attention has already been paid for the advancement of Scheduled Castes and Scheduled Tribes. The question of improving the conditions of other Backward Classes is engaging the attention of Government. With the States Reorganisation, a Directorate of Social Welfare has been set up to devote undivided attention for the amelioration of these classes and to implement the schemes sponsored by the Centre and the State.

46. *Taxes.*—As has been pointed out in the earlier part of my speech, we have varying systems of taxation in the several areas of the new State of Mysore. Government are aware of the difficulties in the administration and collection of taxes. In particular the administration of different sets of laws in force in several areas is causing difficulties. The question of evolving uniform Sales-tax law is under active consideration. Similarly Motor Vehicle Taxation, Stamp Duty, Court Fee, *etc.*, are already under active examination.

47. *Conclusion.*—I have given you a very brief account of the various activities of the State. You will have a clear picture when the Estimates for 1957-58 are placed before you before the end of the year. We may have to present deficit Budgets for some years to come. But this will not deter us from going ahead with our programme of development. Difficulties are there to overcome and they should stir us to greater activity. With the timely aid from the Centre and full co-operation from this House and the people it will be possible for the Government to tide over the initial difficulties which is a natural result of the States Reorganisation.

48. I now request the House to give its concurrence to the Estimates which is already covered by the authorisation issued by the Governor under Section 70 of the States Reorganisation Act.

Mr. SPEAKER.—The Budget Estimates for the five months of 1956-57 are presented.

LEGISLATIVE BUSINESS.

Introduction of Bills.

Sri JAGANNATH RAO CHANDRIKI (Minister for Excise, Rural Industries and Labour).—Sir, I introdnce the Mysore Khadi and Village Industries Bill, 1956.

Mr. SPEAKER.—The Mysore Khadi and Village Industries Bill, 1956, is introduced.